

**SUMMARY ANALYSIS OF AMENDED BILL**

Author: Baca Analyst: Nicole Kwon Bill Number: AB 475  
 Related Bills: See Prior Analysis Telephone: 845-7800 Amended Date: June 27, 2005  
 Attorney: Patrick Kusiak Sponsor: \_\_\_\_\_

**SUBJECT:** Local Agency Military Base Recovery Area (LAMBRA)/Extend Initial Designation Period To 12 Years If Specified Conditions Apply

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended \_\_\_\_\_.

☒ AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENTS CONCERNS stated in the previous analysis of bill as introduced/amended \_\_\_\_\_.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO \_\_\_\_\_.

☒ REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED June 14, 2005, STILL APPLIES.

OTHER – See comments below.

**SUMMARY**

This bill would extend the initial designation period of Local Agency Military Base Recovery Areas (LAMBRA) under specified circumstances.

**SUMMARY OF AMENDMENTS**

The June 27, 2005, amendments eliminated the provisions that would have expanded the geographical boundaries of a LAMBRA. The provisions to extend the initial designation period of a LAMBRA from eight to 12 years still apply. As a result of the amendments, a revised revenue estimate is provided below. The remainder of the department's analysis of the bill as amended June 14, 2005, still applies.

**POSITION**

Pending.

Board Position:

\_\_\_\_\_ S \_\_\_\_\_ NA \_\_\_\_\_ NP  
 \_\_\_\_\_ SA \_\_\_\_\_ O \_\_\_\_\_ NAR  
 \_\_\_\_\_ N \_\_\_\_\_ OUA ☒ PENDING

Legislative Director

Date

Brian Putler

7/14/2005

## ECONOMIC IMPACT

### Revenue Estimate

Based on data and assumptions discussed below, the personal income tax and corporation tax revenue loss from this bill would be as follows:

Estimated Revenue Impact of AB 475 Amended June 27, 2005 Effective for taxable year beginning January 1, 2005 Enactment Assumed After June 30,2005 (\$ Millions)		
2005-06	2006-07	2007-08
n/a	b/	c/

b/ Loss of less than \$250,000

c/ Loss of less than \$500,000

This bill does not consider the possible changes in employment, personal income, or gross state product that could result from this measure.

### Revenue Discussion

The revenue impact of this bill would be dependent on the number of LAMBRAs scheduled to expire during taxable years 2006 through 2009 and that would qualify to operate an additional four years as a LAMBRA.

This bill would extend the expiration of four LAMBRAs. The first LAMBRA to expire, scheduled in 2006, would be extended to 2010.

The total impact of all eight LAMBRAs was less than \$2 million in 2003. All scheduled expiration dates were extended and a constant growth rate was applied. Comparing the scheduled expiration dates under this bill and applying an average historical credit usage per zone, the revenue loss is estimated to be insignificant during fiscal year 2006/2007, grow to \$1 million through fiscal year 2008/2009, and then slowly decline due to revised scheduled expiration dates.

## LEGISLATIVE STAFF CONTACT

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